

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON APPROPRIATIONS**

**Call to Order:** By **CHAIRMAN DAVE LEWIS**, on April 23, 2003 at 3:50 P.M., in Room 102 Capitol.

#### **ROLL CALL**

**Members Present:**

Rep. Dave Lewis, Chairman (R)  
Rep. Rosalie (Rosie) Buzzas, Vice Chairman (D)  
Rep. Edith Clark, Vice Chairman (R)  
Rep. John Brueggeman (R)  
Rep. Tim Callahan (D)  
Rep. Stanley (Stan) Fisher (R)  
Rep. Eve Franklin (D)  
Rep. Dick Haines (R)  
Rep. Donald L. Hedges (R)  
Rep. Joey Jayne (D)  
Rep. Carol C. Juneau (D)  
Rep. Dave Kasten (R)  
Rep. Christine Kaufmann (D)  
Rep. Monica Lindeen (D)  
Rep. John Musgrove (D)  
Rep. Jeff Pattison (R)  
Rep. Rick Ripley (R)  
Rep. John Sinrud (R)  
Rep. John Witt (R)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Jon Moe, Legislative Branch  
Mary Lou Schmitz, Committee Secretary

**Please Note.** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing & Date Posted: SB 483, 4/22/2003  
Executive Action: SB 483

While waiting for the Sponsor, **CHAIRMAN LEWIS** asked **Jon Moe, Legislative Fiscal Analyst** to explain the bill so the committee can study it. **Mr. Moe** said Lines 7 and 8 on Page 4 were in the original bill. That was intended to put into statute a rollback of the base, 90% of what the level of funding authorized by the previous legislature. It is a rollback somewhat like what occurred at the beginning of this session. The Senate ultimately took that out before it appeared here. Since the rollback is part of it, the percentages are scratched out. It puts it back to where it was before.

**CHAIRMAN LEWIS** referred to Page 3. This would establish an account so when someone wants to pay more taxes, they can be told what account to send it to.

**Mr. Moe** said Page 8 puts into statute just this language, "adopted budget must be limited so a positive ending fund balance exists at the end of the biennium for which funds are appropriated."

**Clayton Schenck, Legislative Fiscal Analyst**, said state government has always operated under a constitutional understanding that there had to be a balanced budget. But, in an opinion requested by the Finance Committee last fall about a different subject, the Code Commissioner concluded that there is no requirement for a positive ending fund balance. The Legislature has to establish a budget based upon the best projection of estimated revenues. If the revenues don't come in and the expenditures are up, there is no requirement to be in balance at the end of the year.

**Mr. Moe** referred to Page 9, saying currently under 17-7-140 which is the section affected here, there is a requirement that there needs to be a sufficient enough fund balance to insure that there is 2% of the General Fund appropriation. That is applicable, whether or not there is only three months left in a biennium or a whole year or a year and a half left. The assumption with this change is that the less of a reserve that is needed, the closer you get to the end of the biennium. This ratchets down that necessary reserve as the biennium approaches the end.

**CHAIRMAN LEWIS** said the statute says that the Governor must reduce appropriations to maintain a fund balance equivalent to 2% of the General Fund. As it gets closer to the end of the biennium, the required target gets smaller. It is less likely the Governor would make the unilateral cuts toward the end of the biennium because they wouldn't have to maintain the 2%.

HEARING ON SB 483

Sponsor: SENATOR BOB KEENAN, SD 38, Bigfork

Opening Statement by Sponsor:

SENATOR KEENAN said this bill came about as a result of discussions that REP. LEWIS and he had with Taryn Purdy, Terry Johnson and Clayton Schenck, Legislative Fiscal Analysts. This bill requires the State Treasurer, Department of Administration, to supply information on their website for anybody who wants to voluntarily donate funds to the State of Montana for any specific program or any department, etc. Greg Petesch, Code Commissioner, asked that this bill include the requirement that the General Fund have a positive or balanced ending fund balance. Right now, the legislature is required to balance the budget. That is where the requirement ends so it has come as a result of a legal opinion by Mr. Petesch that there is no requirement on the Executive Branch to maintain a positive balance at the end of a fiscal year. Mr. Petesch asked that that be put in there.

Proponents' Testimony: None

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

REPS. MUSGROVE, FRANKLIN, HAINES and WITT asked for further explanations from Amy Sassano, Budget Office and Mr. Schenck.

Closing by Sponsor:

SENATOR KEENAN closed the Hearing on SB 483.

EXECUTIVE ACTION ON SB 483

Motion/Vote: REP. FISHER moved that SB 483 BE CONCURRED IN. Motion carried unanimously 19-0 on a voice vote. REP. LEWIS will carry on the House floor.

{Tape: 1; Side: A; Approx. Time Counter: 0 - 22.9}

**ADJOURNMENT**

Adjournment: 4:15 P.M.

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REP. DAVE LEWIS, Chairman

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MARY LOU SCHMITZ, Secretary

DL/MS

**EXHIBIT** (aph86aad)